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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/728,658	12/01/2000	Davor Runje	PM3	5970

31718 7590 05/24/2004

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EXAMINER

POLTORAK, PIOTR

ART UNIT	PAPER NUMBER
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2134

DATE MAILED: 05/24/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/728,658

Applicant(s)

RUNJE ET AL.

Examiner

Peter Poltorak

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on January 5th, 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on December 1st 2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>3</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-20 have been examined.

Priority

The effective filing date for the subject matter defined in the pending claims in this application is 12/03/1999. The priority date is based on the new provisional application number per the amendment 1/05/01.

Oath/Declaration

2. The oath or declaration is defective. A new oath or declaration in compliance with 37 CFR 1.67(a) identifying this application by application number and filing date is required. See MPEP §§ 602.01 and 602.02.

The oath or declaration is defective because the incorrect provisional application number was supplied.

Drawings

3. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference character "81" has been used to designate both "*Make content publicly available (for download, streaming or physical distribution)*" (Fig. 23) and "*Special business rule needed?*" (Fig.24). A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

Claim Objections

4. Claims 1, 13 and 15 are objected to because of the following informalities:
5. *Claim 1* line 1: the description "electronics rights managements" varies from the "electronic rights managements" used in the abstract and specification. The word "electronics" should be corrected to be consistent across the application. The applicant is advised to check the rest of the application for similar errors.
6. *Claim 13* has a missing "a " immediately before "television signal decoder" statement. The applicant is advised to check the remaining claims for any additional grammatical errors.
7. *Claim 15 f.*: "receiving said content from a content provider to said secure transaction server" is assumed to mean "receiving said content from a content provider at said secure transaction server".
Appropriate correction is required.

Claim Rejections - 35 USC § 112

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.
9. Claims 1-14 and 16 and dependent claims 3-12 and 13 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

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10. *Claim 1 b.* recites the limitation "said encryption" in lines 5-6. There is insufficient antecedent basis for this limitation in the claim. For further consideration the examiner will consider that the application refers to the encryption that is used to encrypt stored content cited in the claim 1 b.
11. *Claim 2* recites "the owner". There is insufficient antecedent basis for this limitation in the claim. For further consideration the examiner will consider the meaning as "an owner of said content".
12. *Claim 13* is unclear. The material in parentheses makes it unclear whether the claim is directed towards "television signal decoder" or "(set top box)".
13. *Claims 16 b.* and *16 c.* are unclear. The material in parentheses makes it unclear whether first data structure means (FAT_HEADER) in *16 b.* and second data structure means (DIST_HEADER) in *16 c.*, or whether they are different subject matters.
14. *Claims 3-12, 14* are rejected by virtue of their dependence.
- Appropriate correction is required.

Claim Rejections - 35 USC § 102

15. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

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16. Claims 1-4, 6, 8, 11-13, 15, 17 and 19 are rejected under 35 U.S.C. 102(e) as being anticipated by *Spies et al.* (U.S. Patent No. 6,055,314).

17. *Re claim 1: Spies et al.* teaches a system for secure electronics rights management, secure transaction management and secure content distribution comprising:

- a. a card means (*IC - integrated circuit card*) for storing personal license information of a user in encrypted form (*Spies et al.*, col. 6 lines 19-35, col. 9 lines 25-29);
- b. a remote storage means for storing content in encrypted form; said encryption designed to ensure that said content on said remote storage means can be experienced only by said user (*Spies et al.*, col. 6 lines 21-34, col. 18 lines 41-46);
- c. Although *Spies et al.* teaches terminal means for downloading said personal license information to said card means (*Spies et al.*, col. 6 lines 18-34) *Spies et al.* does not explicitly teach said personal license information to said card means upon request and payment from said user. However, this feature is anticipated by *Spies et al.* system as lines 18-34 of column 6 show that the downloading is initiated by the merchant after the purchaser presents the personal license information to the merchant at the point of sale.
- d. a playback means for accepting said card means and said remote storage means, and allowing said user to experience said content in accordance with the terms of said personal license (*Spies et al.*, col. 9 lines 4-32); and

- e. a secure transaction server means for: securely receiving said content from a distributor, securely storing said content, securely accepting said request and said payment, distributing said content to said user, managing said personal license information, and securely downloading said personal license information to said card means (*Spies et al.*, col. 5 lines 10-54, col. 9 lines 23-29).
18. *Re claim 2*: A system as claimed in claim 1 in which said card distributor is the owner of said content. (*Spies et al.*, col. 4 lines 60-67).
19. *Re claim 3*: A system as claimed in claim 1 in which said card means contains a microchip (*Spies et al.*, col. 2 lines 31-34, figures 7 and 8).
20. *Re claim 4*: A system as claimed in claim 1 in which said remote storage means is a compact disk (CD) (*Spies et al.*, col. 1 lines 14-28).
21. *Re claim 6*: A system as claimed in claim 1 in which said remote storage means is a digital video disk (DVD) *Spies et al.* (col. 16 lines 13-17).
22. *Re claim 8 and 17*: A system as claimed in claim 1 in which said terminal means is a PC, attached to the Internet and with and attached reader/writer for said card means (*Spies et al.*, col. 3 lines 5-10 and col. 6 lines 19-35 and 34-59).
23. *Re claim 11*: A system as claimed in claim 1 in which said playback means is a television (*Spies et al.*, col. 6 lines 34-48).
24. *Re claim 12*: A system as claimed in claim 1 in which said playback means is a portable music player (*Spies et al.*, col. 1 line 25).

25. *Re claim 13*: A system as claimed in claim 1 in which said playback means is a television signal decoder (set top box) (*Spies et al.*, col. 1 lines 34-48).

26. *Re claim 15*: A method for secure electronics rights management, secure transaction management and secure content distribution comprising the steps of:

- a. providing a memory card with embedded microchip adapted for storing personal license information of a user in encrypted form (*Spies et al.*, col. 6 lines 19-35, col. 9 lines 25-29, col. 17 lines 27-35);
- b. providing a storage medium for storing content in encrypted form (*Spies et al.*, col. 6 lines 21-34);
- c. Although *Spies et al.* teaches terminal (*merchant computing unit*) for downloading said personal license information to said card means (*Spies et al.*, col. 6 lines 18-34) *Spies et al.* does not explicitly teach downloading said personal license information to said card means upon request and payment from said user. However, this feature is anticipated *Spies et al.* system as lines 18-34 of column 6 show that the downloading is initiated by the merchant after the purchaser presents the personal license information to the merchant at the point of sale;
- d. providing a playback device adapted for accepting said memory card and said storage medium, and playing back said content in accordance with the terms of said personal license (*Spies et al.*, col. 9 lines 4-39);
- e. providing a secure transaction server (*Spies et al.*, col. 5 lines 10-54, col. 9 lines 23-29);

- f. securely receiving said content from a content provider to said secure transaction server (*Spies et al.*, col. 5 lines 10-54, col. 9 lines 23-29);
- g. securely storing said content on said transaction server (*Spies et al.*, col. 5 lines 10-24);
- h. securely accepting said request and said payment at said secure transaction server (*Spies et al.*, col. 5 lines 10-54, col. 9 lines 23-29);
- i. distributing said content to said user from said secure transaction server encrypted so that said content can only be experienced by said user (*Spies et al.*, col. 6 lines 19-41, col. 8 lines 60-66, col. 18 lines 41-46).;
- j. managing said personal license information in said secure transaction server (*Spies et al.*, col. 5 lines 10-24); and
- k. securely downloading said personal license information from said secure transaction server to said memory card via said terminal (*Spies et al.*, col. 5 lines 10-54, col. 9 lines 23-29).

27. *Re claim 19*: A method as claimed in claim 15 in which the step of distributing is accomplished via the Internet (*Spies et al.*, col. 14 lines 27-30).

Appropriate correction is required.

Claim Rejections - 35 USC § 103

28. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was

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made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

29. *Claim 5* and 7 is rejected under 35 U.S.C. 103(a) as being unpatentable over *Spies et al.* *Spies et al.* teach distributing content using mass distribution media, such as DVDs. The reference does not specifically teach using hard drives as mass distribution media. Official notice is taken that it is old and well-known practice to use hard drives and memory card as mass distribution media. One of ordinary skill in art at the time of applicant's invention would employ hard drives to store content in conventional storage media given the benefit of inexpensive and proven/reliable technology.
30. Claims 10 and 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over *Spies et al.* *Spies et al.* teach a content delivery system with a playback means over various distribution media (Summary of the invention). *Spies et al* do not specifically mention radios and cellular phones as playback devices. Official notice is taken that it is old and well known that radio and cellular phones are used as playback devices. Their use as such lets merchants advertise or sell products in additional markets. Therefore it would have been obvious to one of ordinary skill in art at the time of applicant's invention to use radios and cell phones as playback means in order to increase markets.
31. *Claim 16* is rejected under 35 U.S.C. 103(a) as being unpatentable over *Spies et al.*, as applied to claim 15 above, in view of *Hurtado et al.* (U.S. Patents No. 6, 418,421).

Spies et al. teach a content delivery system. *Spies et al.* do not teach the step of preprocessing said content by:

- a. generating a unique content identifier;
- b. generating a first data structure (FAT_HEADER) containing information about said content;
- c. generating a second data structure (DIST_HEADER) containing information about distribution of said content;
- d. incorporating said unique content identifier, said first data structure and said second data structure into said content; and
- e. optionally encoding said content.

Hurtado et al. teach digital watermarking which includes generating a unique content identifier (*Hurtado et al*, col.20 lines 17-19), generating a first data structure (FAT_HEADER) containing information about said content (*Hurtado et al*, col.55 lines 13-20), and generating a second data structure (DIST_HEADER) containing information about distribution of said content (*Hurtado et al*, col.10 lines 48-51 and 58-61). *Hurtado et al.* teach that watermarking technology could be used with digital content preparation and data distribution.

Watermarks provide additional license information such as permitted number of copies and increase security by enabling means to identify the origin of unauthorized copies of content to combat piracy (*Hurtado et al*, col.10 lines 45-63). Therefore it would have been obvious to one of ordinary skill in art at the

time of applicant's invention to incorporate watermarks to increase security and flexibility in *Spies et al.*'s content.

32. *Claims 9 and 18* is rejected under 35 U.S.C. 103(a) as being unpatentable over *Spies et al.*, as applied to claim 15 above, in view of *Yu (Networked Electronic Video Distribution)*.

Spies et al. teach a method and a system for distributing content but does not teach providing a memorizing means for memorizing experienced but unlicensed content for future license; said memorizing means being incorporated in said playback device.

Spies et al. teaches that license may be dependent on a rental period (*Spies et al.*, col. 9 lines 33-39). *Yu* teaches that network traffic may be a bottleneck in the distribution chain and hinder the growth of e-distribution and thus the merits of minimizing network traffic. Therefore it would have been obvious to one of ordinary skill in art at the time of applicant's invention to equip the playback device with capabilities to memorize experienced but unlicensed content for future license in order to allow users to renew or extend license of already downloaded movies while preventing unnecessary traffic.

33. *Claim 20* is rejected under 35 U.S.C. 103(a) as being unpatentable over *Spies et al.*, as applied to claim 15 above, in view of *Amazon.com* (<http://web.archive.org/web/19991013091817/http://amazon.com/>).

Spies et al. teach content delivery in which the step of distributing further comprises "the steps of storing said content on an appropriate storage medium"

(*Spies et al.*, col. 6 lines 11-18) but do not teach mailing the storage medium to users. *Amazon.com* used a mail order business plan to sell digital content (DVDs) even before the time of the applicant's invention thus providing motivation of mailing storage medium. Therefore it would be obvious to one of ordinary skill in art at the time of invention to mail the storage medium to users in order to obtain additional market share.

Appropriate correction is required.

Conclusion

No claim is allowed.

Art not relied upon:

1. Marc Abrams, "*What Will the Internet Look Like in 50 Years?*", CS4984, Spring 1998,
<http://ei.cs.vt.edu/~wwwbtb/fall.96/ClassNotes/WebToday.html>
2. William A. Cohen, "*Selling by mail order*", 1990,
<http://www.bizoffice.com/library/files/mailor.txt>
3. Andy Patrizio, "*The DVD Hack: What Next?*", Nov. 04, 1999,
<http://www.wired.com/news/technology/0,1282,32265,00.html>
4. Stefik, *U.S. Patent No. 5715403*
5. Balderrama et al., *U.S. Patent No. 5806071*
6. Griswold, *U.S. Patent No. 5940504*
7. Horstmann, *U.S. Patent No. 6009401*
8. Glover, *U.S. Patent No. 6052780*

9. Schneck et al., *U.S. Patent No. 6314409*

10. Spagna et al., *U.S. Patent No. 6587837*

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Peter Poltorak whose telephone number is (703) 305-0719. The examiner can normally be reached Monday through Thursday from 9:00 a.m. to 4:00 p.m. and alternate Fridays from 9:00 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Gregory Morse, can be reached on (703) 308-4789.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 305-9000.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks
Washington, DC 20231

Or faxed to:

(703) 746-7239 (for formal communications intended for entry)

Or:

(703) 746-7240 (for informal or draft communications, please label
"PROPOSED" or "DRAFT")

Hand-delivered response should be brought to Crystal Park II, 2121 Crystal Drive, Arlington, VA 22202, Fourth Floor (Receptionist).

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free)


Signature

5/10/04
Date

Douglas J. Meislahn
Art Unit 2137
